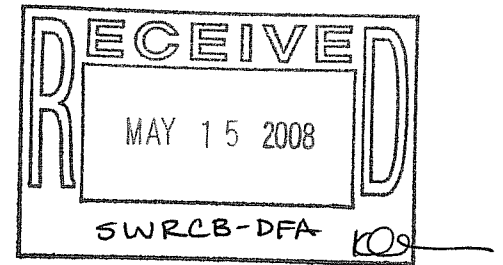


To: Tracie Billington, Department of Water Resources
Scott Couch, State Water Resources Control Board

Fr: Jimmy Smith, Chairman, NCIRWMP Policy Review Panel
Jake Mackenzie, Vice-Chairman, NCIRWMP Policy Review Panel



Re: Draft Funding Recommendations – Proposition 50, Round Two, Step Two

Da: May 12, 2008

The North Coast Integrated Regional Water Management Plan's (NCIRWMP) Policy Review Panel and participants appreciate the financial and technical support provided by the Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB) during the development and implementation of the NCIRWMP. We are delighted to have been the top-ranked proposal in the State and recognized as a model that brings diverse interests from seven counties together for mutual benefit. We feel the NCIRWMP successfully meets the IRWM grant program's intent to work collaboratively utilizing an open and inclusive stakeholder process to integrate regional strategies for the management of our water resources.

We respectfully submit the NCIRWMP's following concerns and comments regarding the draft funding recommendations for Proposition 50, Round 2, Step 2 for your consideration.

- a) It is our understanding that the decision of the SWRCB and DWR to provide the exception to include coastal projects that eliminate or significantly reduce pollution in impaired waters and sensitive habitat areas, including areas of biological significance that are consistent with ICWM and/or IRWM plan standards, was intended to level the playing field for these often very small communities. Additionally, as the ICWM grant program only provided funding for planning, this decision afforded coastal communities the opportunity to compete for much-needed implementation funding for projects included within their plans.
- b) Knowing that many of the projects from the North Coast would come from small, disadvantaged communities that do not have the institutional staff and financial resources to prepare extensive grant applications such as the Prop 50, Round 2, Step 2 application, staff from the NCIRWMP asked in several public forums whether the grant evaluations and award recommendations would be based on merit utilizing the evaluation criteria outlined in the Project Solicitation Proposal Round 2 Guidelines. We were told that this would be the case.
- c) Each project proponent included within the Round 2, Step 2 application spent a minimum of 200 hours on the application, for a total of 800 hours. For these small, already over-burdened entities, 200 hours represents a large, unfunded financial impact. The extraordinary commitment and dedication of our project proponents, the North Coast IRWMP's Technical Peer Review Committee, support staff and Policy Review Panel is reflected well in the State's evaluation and overall ranking of the North Coast's Round 2 proposal.
- d) California is currently in the midst of a salmon fishery crisis. All of the projects included within the NCIRWMP's Round 2, Step 2 application collectively operate in

an integrated fashion to address cumulative impacts to salmonid populations and water quality. The three species of salmonids that inhabit the North Coast hydrologic region (steelhead trout, coho and Chinook) are federally listed and are the targets of species recovery plans. Restoration of viable populations of salmonids to the North Coast region – through a collective program of sediment reduction, invasive species removal and NPS/TMDL implementation, as outlined in our Step 2 proposal – will have significant positive impacts on ecosystem health and biodiversity, local, regional and state economies, cultural uses for tribal groups and conflict reduction related to in-stream flows and watershed land use.

- e) The State should be consistent in its implementation of this program, should not change the rules in the middle of the process, and should continue to award funds based on the merit of the application, as outlined in the published guidelines and evaluation process.
- f) We believe that the State's evaluation process was rigorous and fair, and that the established scoring criteria should be retained. Given that the North Coast was the number one ranked proposal in California, it is our belief that we should receive our full funding request of \$5,532,733. The recommended award of \$2,079,598 will not be sufficient to implement the projects as they were presented and evaluated in our proposal. We are prepared to work with our project proponents and DWR and SWRCB staff to identify a funding level that maintains project viability and represents an equitable distribution of funds available for Northern California.
- g) The Prop 50 IRWM grant program states that DWR and the California SWRCB will jointly solicit applications, evaluate proposals and award grants. We believe that, if necessary, joint funding from DWR and SWRCB will enable the NCIRWMP's Round 2, Step 2 proposal to be funded.

The North Coast region is a source watershed for much of California, retains some of the last intact watersheds and fisheries resources in the State, and is comprised largely of disadvantaged communities. It continues to be a pleasure for us to participate in the IRWM program in partnership with the State of California. We thank you in advance for your consideration of our request. If you have any questions, or would like to discuss this further, please contact either of us, or our staff (listed below). Thank you.

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